



October 1, 2019

Director Penny Lassiter
Sector Policies and Programs Division
Office of Air Quality Planning and Standards (OAQPS)
United States Environmental Protection Agency
RTP Bldg E (Restricted)
109 TW Alexander Dr.
Durham, NC 27709

Re: Texas GulfLink Deepwater Port Project; Analysis of 40 CFR Part 63, Subpart Y (entitled "National Emission Standards for Marine Tank Vessel Loading Operations").

Dear Director Lassiter:

This letter is submitted on behalf of Texas GulfLink as a follow up to several recent meetings with the United States Environmental Protection Agency ("EPA") regarding the applicability of 40 CFR Part 63, Subpart Y, to the Texas GulfLink Deepwater Port project. Specifically, this letter analyzes whether volatile organic compound ("VOC") emissions from the Texas GulfLink project are properly regulated under Subpart Y (which mandates the use of vapor recovery/vapor combustion ("VR/VC") to achieve the emissions standard) or under Subpart B (which allows the applicable emissions standard to be determined on a case-by-case basis).

Texas GulfLink is a proposed deepwater port ("DWP") which will use two floating, single-point mooring ("SPM") buoys to load large, deep-draft tankers with crude oil for export to international markets. Crude oil will be transported from shore by a 42-inch diameter steel pipeline passing through a 24-hour manned platform located 28 miles from shore in approximately 104-feet of water in the Gulf of Mexico. The platform will house up to 20 employees and contractors. The platform's primary function is to provide for port security, pipeline leak detection, surge protection, and emergency response in the unlikely event of an oil discharge or maritime accident. The oil leaves the platform by two 42-inch pipelines, travels through two pipeline end manifolds ("PLEMs") located on the sea floor, leaves each PLEM via two flexible subsea hoses which transport the oil to the SPMs anchored to the sea floor. The total distance from the platform to an SPM is 1.25 nautical miles. The tankers are physically moored to the SPMs, not the platform. Once a ship is moored to the SPM, the oil is loaded directly into the crude oil tankers using 1,200-foot flexible hoses.

Loading operations are controlled from Texas GulfLink's onshore facilities. The manned platform is not necessary in order to load the tankers as evidenced by the fact that there are other

DWP applicants that propose to load crude oil from shore using only SPMs. However, Texas GulfLink believes that, based on the team's significant offshore operational and navigational experience, a manned platform adds important navigational security, pipeline safety, and environmental protections that SPM-only projects cannot offer.

The tanker loading process emits VOCs which are considered a hazardous air pollutant or "HAP." 40 CFR §63.562(b)(4) sets out the maximum achievable control technology ("MACT") standards for new major source offshore loading terminals stating: "The owner or operator of a new major source ***offshore loading terminal*** shall reduce HAP emissions from marine tank vessel loading operations by 95 weight-percent" using VR/VC. An "offshore loading terminal" is defined in 40 CFR §63.561 as follows:

Offshore loading terminal means a location that has at least one ***loading berth*** that is 0.81 km (0.5 miles) or more from the shore that is used for mooring a marine tank vessel and loading liquids from shore. (emphasis added).

The term "loading berth" is defined as follows:

Loading berth means the loading arms, pumps, meters, shutoff valves, relief valves, and other piping and valves ***necessary to fill marine tank vessels***. The loading berth includes those items ***necessary for an offshore loading terminal***. (emphasis added).

Finally, a "terminal" is defined as "all loading berths at any land or sea based structure(s) ***that loads liquids in bulk onto marine tank vessels***." (emphasis added).

Like other proposed DWP project designs, the equipment "necessary" for Texas GulfLink to "fill marine tank vessels" or to "load liquids in bulk" include the pumps (located and controlled onshore), the subsea pipeline, the PLEMs, the SPMs, and the flexible hoses connecting the SPMs to the tankers. The flow of oil to the tankers is driven by seven (7), 4000 horsepower (hp) pumps (with three (3), 1750 hp boosters) located onshore and fully controlled from an onshore control room—not the platform. Likewise, system shut-off valves are located onshore downstream of the main pumps. There are no "loading arms" or "pumps" on the platform itself. In fact, no equipment critical to loading is located solely on the platform.

All DWP applicants propose to load tankers in the same manner – via an SPM system. Some DWP applicants, like Texas GulfLink, recognize the benefits of incorporating a platform into their projects. The platform provides support in the event of a discharge, accident, pipeline surge, or security event. The platform is not necessary to the loading operation conducted through the SPM. Nevertheless, by letter dated April 5, 2019, EPA specifically linked the applicability of Subpart Y to whether a proposed DWP design included a "platform structure to facilitate loading operations." The letter further indicated that SPM-only projects (i.e. project designs that do not

call for construction of a platform) are not required to comply with Subpart Y and instead would be evaluated under a case-by-case MACT analysis. There is no legal basis to distinguish between SPM-platform and SPM-only projects.

While a platform may be a convenient structure upon which to locate a VC unit, the presence of a platform does not trigger application of Subpart Y. Subpart Y itself expressly states that it applies only to “offshore loading terminals” with at least “one loading berth” comprised of the equipment “necessary to fill marine tank vessels.” Texas GulfLink’s platform, by definition, is not a “loading berth” because it does not house the equipment “necessary” for loading or “filling” marine tank vessels. Furthermore, linking the application of Subpart Y solely to the presence or absence of a platform, creates a disincentive to include a platform in a DWP design—thus jeopardizing the security, safety, emergency response, and environmental benefits that manned platforms provide.

As confirmed following several meetings and discussions with SPM vendors, VR/VC is not technically feasible and has never been achieved in practice at a DWP like the Texas GulfLink project. In addition, as discussed in detail in Texas GulfLink’s White Paper entitled *Legal, Technical & Safety Concerns Associated with Vapor Recovery/Vapor Combustion at Deepwater Ports*, there are distinct human safety concerns associated with operating VR/VCs on or near manned facilities located in an unprotected, offshore environment.¹ When Subpart Y was adopted in 1995, EPA expressly stated in the preamble to the proposed rule that safety was “a primary concern.” The risk posed to tanker and platform crews alone is enough to warrant a case-by-case MACT analysis so that safety can be analyzed based on the specific design of each proposed project. Requiring VR/VC based solely on the presence or absence of a platform is not supported by the plain language of Subpart Y, and that decision does not address potential impacts to human safety. We know this is not EPA’s intent; however, increased risk to human safety is a potential unintended consequence of the April 5th letter.

The DWP projects proposed today do not fit within the types of sources considered by EPA during the Subpart Y rulemaking process. These projects do not meet the definition of “offshore loading terminals” because they do not include “loading berths” as that term is defined by EPA. All the DWP projects propose to load tankers with onshore pumps and through SPM buoys located many miles from shore. None of the projects will load tankers with offshore loading arms or pumps. The presence of a platform should not change that analysis.

For these reasons, Texas GulfLink plans to submit a case-by-case MACT analysis and respectfully requests that EPA evaluate that analysis and not require a Subpart Y demonstration. Under a case-by-case analysis, the Texas GulfLink project can be evaluated based on the unique aspects of its proposed design while taking into account the safety and operational issues highlighted in the Texas GulfLink White Paper.

¹ 59 FR 25004, 25017 (May 13, 1994).



Thank you again for taking time to meet with the Texas GulfLink team to discuss these important issues. Please do not hesitate to contact me if you would like to discuss these issues in greater detail or if you require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tyler M. Abadie'.

Tyler M. Abadie, P.E.

Texas GulfLink – Deepwater Port Licensing Lead

CC:

Mr. Jeff Ballard
Director Yvette Fields
CDR Myles Greenway